



RD-360

JIMMY B. WRIGHT
LYNN COUNTY ATTORNEY
BOX 729

TAHOKA, TEXAS 79373

March 20, 1992

IO #15491
MBJ

RECEIVED

MAR 31 92

Opinion of the

Dan Morales
Attorney General of Texas
Box 12548
Austin, Tx 78771-2548

Re: Request for Formal Opinion

Dear Mr. Morales:

As Lynn County Attorney, after conference with the Lynn County Commissioners, I hereby request a Formal Opinion from the Attorney General's Office concerning the following matter:

Lynn County currently furnishes group health insurance to any full time employee who desires such coverage. Those employees who elect not to take such health coverage are paid \$200.00 per month in lieu of said coverage. The amount does not vary per month or individual even if the cost for health insurance would be greater. Federal tax withholding, social security and retirement are withheld from the \$200.00. My questions are:

1. Is the above system of paying a flat rate in lieu of health insurance permissible under the law?

2. If permissible, does the law require that the \$200.00 payment currently being made in lieu of health insurance be paid out of a separate health insurance account instead of from the general fund?

3. Should health insurance companies submitting annual bids refuse to provide health insurance unless all employees are covered, or the rates would be substantially lower if all employees were covered, is it legally permissible for the County to discontinue the policy of paying \$200.00 in lieu of health coverage as a means of complying with insurance company requirements?

I appreciate your consideration and opinion on these questions as my research has not indicated statutory or case authority for answers. This policy is apparently not embodied by very many counties in the State of Texas.

Thank you for your attention in this matter.

Yours truly,

Jimmy B. Wright